

## State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

June 21, 2010

Reynolds Sand & Gravel LLC 6891 South 700 West #200 Midvale, Utah 84047

Subject: Reclamation Surety Required, Reynolds Sand & Gravel LLC, Camp William Pit 3

Mine, S/035/0044, Salt Lake County, Utah

Dear Mr. Reynolds:

The referenced Notice of Intent to Commence Small Mining Operations (NOI), received by the Division on April 27, 2010, and revised on June 2, 2010, is complete <u>with the exception of the reclamation bonding requirement.</u> The reclamation surety is determined to be \$25,100 for a 5 year escalation. This was determined based on:

Small Mine Operation Bond Calculation Worksheet S/035/	0044			
5-year escalation (2015)				
Item		Qty	<b>Unit Cost</b>	<b>Total Cost</b>
1st Acre Disturbance		1	\$7,500.00	\$7,500.00
Additional Acres Disturbance		4	\$4,400.00	\$17,600.00
TOTAL				\$25,100.00

Please submit the reclamation surety and reclamation contract within the next 30 days. No mining related disturbance can be created until the surety is received and approved and you have received written acceptance from this office as well as other applicable agencies.

The reclamation contract form can be found on the Division's web site at https://fs.ogm.utah.gov/pub/mines/minerals\_related/forms/MR-RC-SMO.pdf.

The reclamation surety may be submitted in one of several forms, including, an irrevocable letter of credit, a certificate of deposit, cash, or a surety bond. Please contact Penny Berry at (801) 538-5291 or by e-mail at <a href="mailto:bondcoordinator@utah.gov">bondcoordinator@utah.gov</a> for assistance in completing this requirement.

OIL, GAS & MINING

Rob Reynolds Page 2 of 2 S/035/0044 June 21, 2010

Please contact me at 801-538-5261 or Leslie Heppler at 801-538-5257 if you have any questions regarding this letter. In reply please refer to file number S/035/0044.

Paul B. Baker

Minerals Program Manager

PBB:lah:pb
cc: Penny Berry, DOGM

P:\GROUPS\MINERALS\WP\M035-SaltLake\S0350044-CampWilliamPit3\final\TENT-3563-06032010.doc